

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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In the Matter of)	
)	
Annual Assessment of the Status of)	
Competition in the Market for the)	MB Docket No. 06-189
Delivery of Video Programming)	
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COMMENTS OF THE CITY OF FORT WORTH, TEXAS

These Comments are filed by the City of Fort Worth, Texas in support of the comments filed by the National Association of Telecommunications Officers and Advisors ("NATOA"), the National League of Cities ("NLC"), the National Association of Counties ("NACo"), the United States Conference of Mayors ("USCM"), and other national municipal organizations. Like the national municipal organizations, Fort Worth believes that local governments want and encourage competition in the video programming marketplace. The local franchising process works and helps to ensure that all residents share in the benefits that increased competition brings to a community.

Our community previously filed Comments in the franchising proceeding, MB Docket No. 05-311, the Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as amended by the Cable Television Consumer Protection and Competition Act of 1992. Because this Notice of Inquiry raises many of the same issues that were addressed by our earlier Comments, we are attaching a copy of those Comments for inclusion in this proceeding.

I. Wireline Video Competition in Our Community

Fort Worth is a city of 620,000 citizens. We currently receive video service from five video providers:

- Marcus Cable Associates L.L.C. d/b/a Charter Communications
- Millennium OneSource
- Strategic Cable Technologies

- Ygnition
- Verizon

Only one company provides service to the entire city. These five companies provide video services to approximately 62,000 households in Fort Worth.

The State of Texas now offers video providers statewide cable franchising. Under this legislation, the two largest local cable providers, **Charter** and **OneSource**, switched from municipal to state-issued franchises, while the two smallest companies, **Strategic Cable Technologies** and **Ygnition**, continue to operate under municipal franchises. **Verizon**, which was in negotiations for a municipal franchise with the City before the state legislation was passed, is the only new provider in operation. **AT&T Texas**, which was a huge supporter of state-issued legislation, applied for a state-issued franchise to serve Fort Worth, four hundred sixteen days after the legislation passed. **North Texas Broadband** applied for a state-issued franchise to provide video service to a three (3) square mile area of southwest Fort Worth. The AT&T Texas and North Texas Broadband state franchise applications were granted in November 2006, but services are not yet operational.

II. Effects of Video Competition in Our Community

Texas passed state-issued franchising to ease entry into new markets for video providers, promote competition and lower cable prices. As of this filing, **Verizon** is the only new provider in operation in Fort Worth. State-issued franchises have been granted to incumbent providers when municipal franchises expired.

Charter Communications is the only citywide video provider. **Millennium OneSource** and **Verizon** provide service to limited areas of north Fort Worth, **Strategic Cable Technologies** and **Ygnition** provide service to a housing division and apartment complexes respectfully.

Video providers in the city of Fort Worth have recorded slow and steady growth in cable subscriptions. Former and current municipal franchise holders continue to operate in their normal areas, **Verizon** has carved out a nitch in a sixteen (16) square mile area that was not well served by other providers. There is very limited competition, as video operators will literally split up a new housing subdivision, providing service to only those areas where competition will not be an issue.

Subscribers have not benefited from lower prices as Charter raised its rate for basic service by eleven (11) percent in February 2006 and **Verizon** has

announced a seven (7) percent rate increase for new subscribers effective January 2007

III. Statewide Franchising

Under state franchising, finding a resolution to customer service issues is a guessing game to most cable subscribers in Fort Worth. Customers do not know whom to call, or what measures can be taken to correct problems they face with their providers. Under the new state law, the state Public Utilities Commission now acts as the local franchising authority. To file a complaint against a cable/video operator, subscribers must call, fax, mail or email their complaint to a state agency located hundreds of miles away. Most subscribers do not know where to file a complaint as the P.U.C. has requested that their customer complaint telephone number not be listed on video provider monthly statements. This leaves subscribers very frustrated as their complaints fester without resolution.

The City has also noted a lack of cooperation with former municipal franchise holders. Issues such as the definition of an Institutional Network, traffic signalization control over Institutional Networks, and resolution to past due franchise fees are not handled in a timely manner.

Conclusion

The municipal cable franchising process worked well in Fort Worth. We were in the process of renewing two municipal cable franchises and issuing a new video franchise when the state law changed. We no longer have the authority to ensure that our community's specific needs are met and that local customers are protected. We applaud efforts to increase competition in the video programming marketplace. But the local cable franchising process should not be used as an excuse for the failure of new cable service providers to enter into the marketplace.

Respectfully submitted,

City of Fort Worth, Texas

By: Randy Westerman
Manager/Cable Services
401 W. 2nd Street
Fort Worth, Texas
76102

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